EUL HOT TOPICS

A Presentation to

National Association of Installation Developers

By

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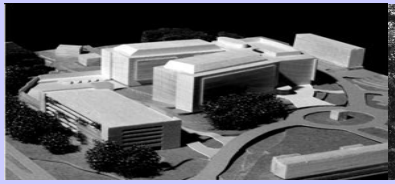
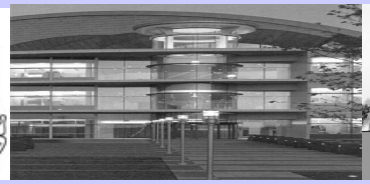
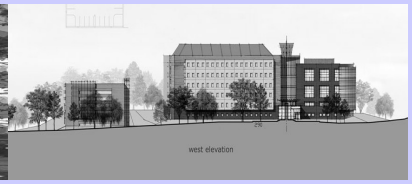
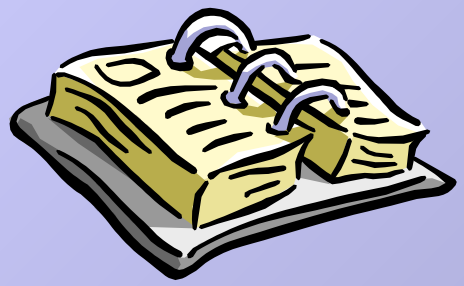
August 10, 2004



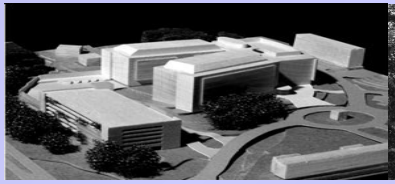



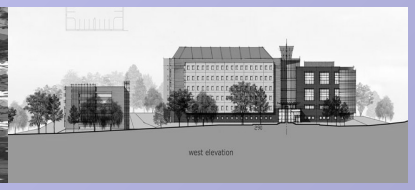
Agenda:

- ☑ How do you know if EUL is right for you?
- ☑ How do you maximize interest in your project?



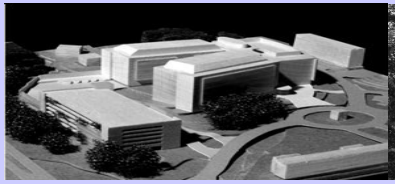
HOW DO YOU KNOW IF EUL IS RIGHT FOR YOU?

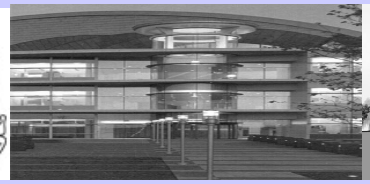
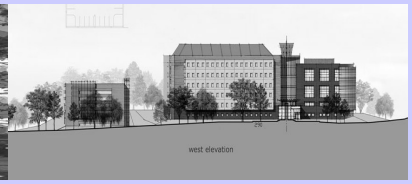




f You Could Use these EUL Benefits

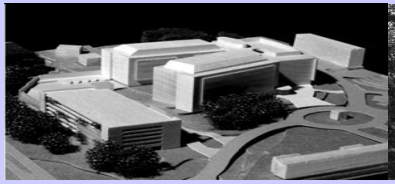
- ☑ **Unleashes Captive Value:** By unlocking unrealized value of property, EUL is a flexible alternative to demolition and/or excessing property
- ☑ **Supplements Under-funded Facilities Costs:** Can reduce base operations & maintenance costs
- ☑ **Modernizes Installation Assets:** Allows installations to modernize underdeveloped assets & construct state-of-the-art facilities
- ☑ **Preserves & Maintains Historic Properties:** Can help cover high costs of historic preservation & maintenance

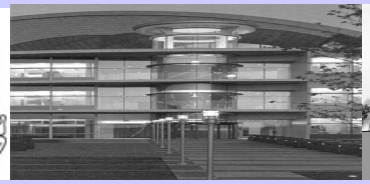
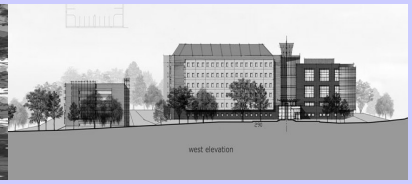


If You Could Use these EUL Benefits (cont'd)

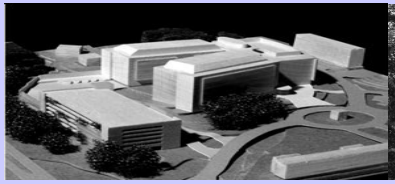
- ☑ **Accelerates Rehabilitation Timeline:** Developer will include a replacement reserve that ensures availability of funds for a scheduled major project rehab
- ☑ **Enhances Mission & Quality of Life:** Improved facilities enhance installation's mission and foster greater employee morale and retention
- ☑ **Improves Surrounding Community:** EUL can help stimulate the local job market and encourage private investment in region

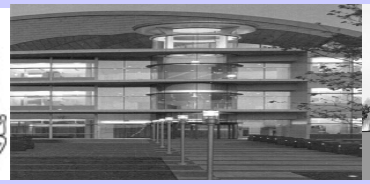
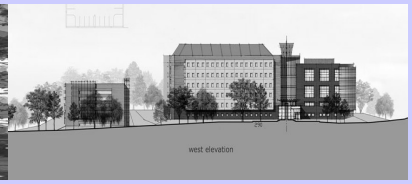


If this WRAMC Example Speaks to You:

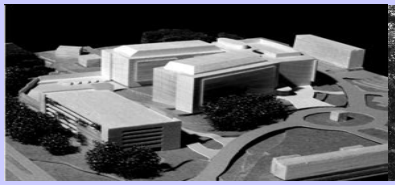
- ☑ $220 million infrastructure improvements funded by private sector
- ☑ $170 million in O&M funded by private sector
- ☑ $120 million in-kind services over lease term
- ☑ New construction completed in less than 3 years
- ☑ Ability to provide facilities to meet mission changes
- ☑ Renovation of historic building built in 1923
- ☑ Construction of state-of-art lab and office structure

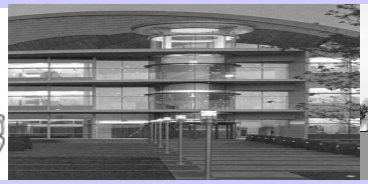
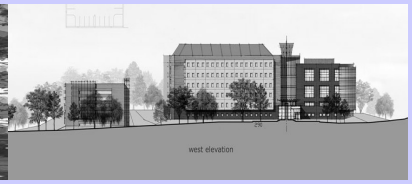


If You Have the Key Ingredients:

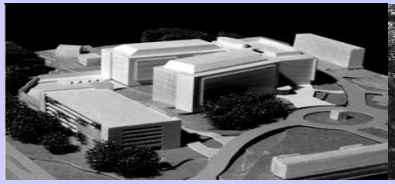
- ☑ **An Installation Champion:** Someone who can spot opportunities, think outside the box, and be a visionary for the project.
- ☑ **A Vision for the Installation:** Clearly-articulated objectives for the project that marries installation's needs with a demand in the market.
- ☑ **Non-Excess Real Property Assets to Be Unlocked:** Assets which have value for both the installation and the private sector.

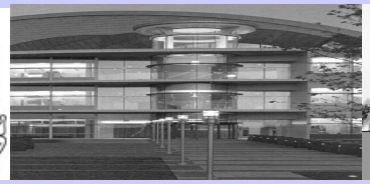
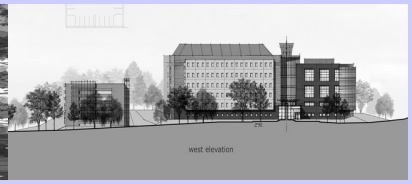


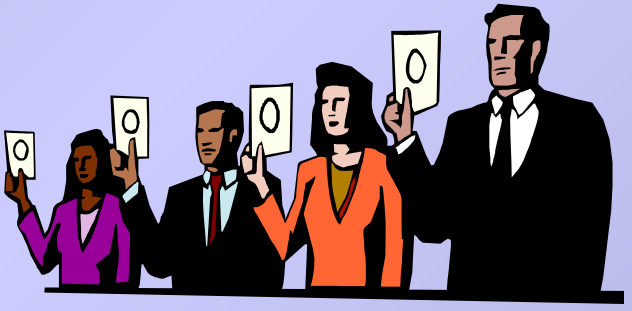
If You Have the Key Ingredients: (cont'd)

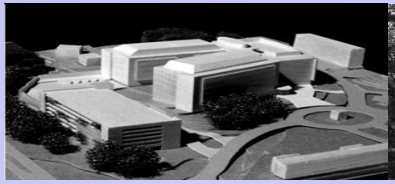
- ☑ **A Feasible Project Concept:** A project that is financially and politically feasible and meets a real market demand.
- ☑ **Adequate Seed Money:** Funds which help launch the initial stages of identifying potential assets. Consider existing O&M funds, grant monies, etc.
- ☑ **The Right Team on Board:** Key personnel and experts who will help develop and implement the project and are lead by the Installation Champion.

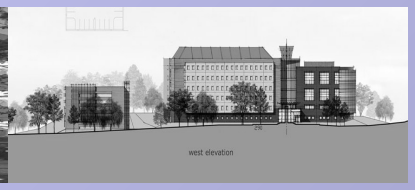


HOW DO YOU MAXIMIZE INTEREST IN YOUR PROJECT?

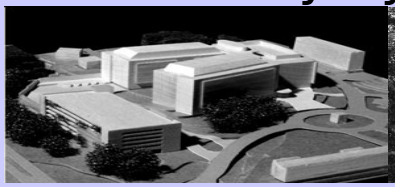


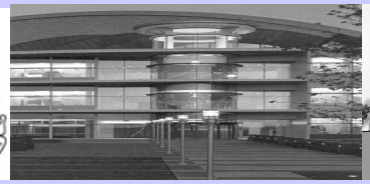
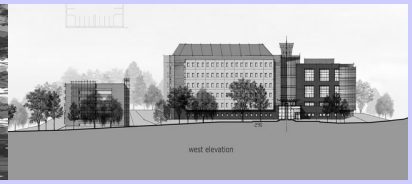




By Understanding EUL Benefits for Private Sector:

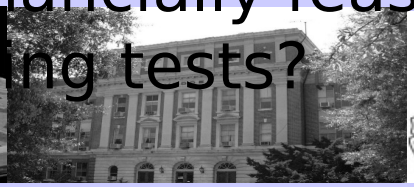
- ☑ **Generates Market Rates of Return:** Developer receives market rates of return on design, construction, maintenance, tenant leases, & property mgmt.
- ☑ **Enables Long Term Relationships:** EUL results in long-term relationships between the private sector & high-quality credit partners in the Government.
- ☑ **Abbreviated Developer Selection Process:** The EUL approach minimizes the time and effort to bring a development team on board.
- ☑ **Large Program Pipeline:** EUL is a rapidly growing program that is being aggressively leveraged across the country by various military installations.



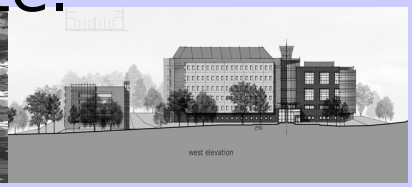
By Developing a Feasible and Attractive Project:

- ☑ **Determine Value of Assets:** Assess highest-and-best use for asset based on market demand, site conditions and compatibility with base operations.
- ☑ **See the User's Perspective:** Evaluate each asset from the user's perspective to determine best target user and to create most convincing marketing strategy.
- ☑ **Answer Key Questions:** Is there a market? Is project financially feasible? Will project pass OMB scoring tests?



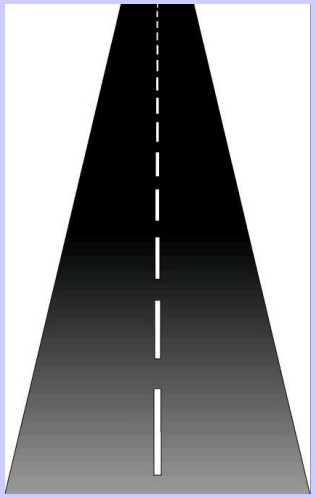
By Marketing the Project Effectively

- ☑ **Streamline the Solicitation Process:** Use an efficient non-FAR process to select most qualified developer.
- ☑ **Provide Key Information:** Provide developers with info re: base's operations & master plan, assets to be contributed by base, and installation's involvement in process.
- ☑ **Take advantage of Industry Forum & Website:** Put installation's "best foot forward" during Forum and post critical project info on website.



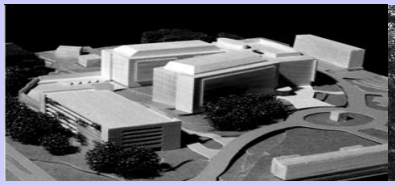
By Identifying Typical Roadblocks and Addressing Them Early:

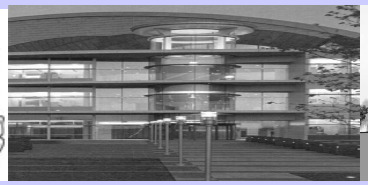
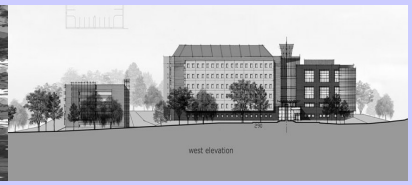
- ☑ Address **historic preservation** issues early and comprehensively
- ☑ Address **environmental concerns** early and comprehensively
- ☑ Communicate early and openly with **OMB regarding scoring implications** of project



By Following Lessons Learned from Past EUL Projects:

- ☑ **Don’t Reinvent the Wheel:** Model transactions after past successful EUL projects.
- ☑ **Don’t Do it All Yourself:** Engage experienced real estate and financial professionals to help accelerate the process.
- ☑ **Be Flexible:** No two EUL projects are alike. Flex with the changes in the project, the market, the economy and policy.



QUESTIONS?